

HOUSE BUDGET PRESENTATION

MARCH 24, 2005

9:30 am

REMARKS OF CHIEF JUSTICE CLIFFORD W. TAYLOR

GOOD MORNING, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. I APPRECIATE THE OPPORTUNITY TO PRESENT THE JUDICIAL BRANCH BUDGET REQUEST FOR FY 2006 TODAY. WITH ME IS CHIEF JUDGE BILL WHITBECK OF THE COURT OF APPEALS, WHO WILL BE SPEAKING TO YOU IN A FEW MINUTES. I KNOW THE MEMBERS OF OUR STAFF ARE FAMILIAR TO YOU, SO I WILL DISPENSE WITH INTRODUCTIONS. THERE IS, HOWEVER, A FAMILIAR FACE HERE WITH A NEW TITLE, AND I WOULD BE REMISS IF I DID NOT POINT OUT THAT CARL GROMEK, FORMERLY SUPREME COURT CHIEF OF STAFF, IS NOW ALSO OUR STATE COURT

ADMINISTRATOR AS OF THE BEGINNING OF THIS YEAR. MR. GROMEK AND OTHER STAFF MEMBERS ARE HERE TO HELP ME ANSWER ANY QUESTIONS YOU MAY HAVE AFTER I PRESENT MY REMARKS.

I ALSO THANK THE COMMITTEE FOR THE MANY COURTESIES EXTENDED TO MY PREDECESSOR, CHIEF JUSTICE CORRIGAN, AND THE STAFF OVER THE YEARS. I TRUST THAT WE WILL ENJOY THE SAME COOPERATION AND TRUST THIS YEAR THAT WE HAVE IN THE PAST.

ALTHOUGH OUR BUDGET IS A SMALL ONE FOR STATE GOVERNMENT -- LESS THAN 1% OF THE GROSS STATE BUDGET -- WE HAVE A HUGE JOB, THAT OF HELPING TO PRESERVE DOMESTIC TRANQUILITY, AND THAT ENCOMPASSES EVERYTHING FROM CHILD SUPPORT TO PROCESSING CRIMINAL CASES. AND ALTHOUGH WE ARE A SMALL PART OF THE STATE

BUDGET, WE ARE KEENLY AWARE OF OUR RESPONSIBILITY TO CUT COSTS AND TO FIND AND DELIVER ON REVENUE SOURCES.

LET ME SAY AT THE OUTSET THAT WE ARE VERY PLEASED WITH, AND APPRECIATIVE OF, THE GOVERNOR'S RECOMMENDATION FOR OUR BRANCH. INDEED, MY PRESENTATION TODAY IS MORE IN THE NATURE OF AN ACCOUNTING TO YOU OF WHAT WE IN THE JUDICIAL BRANCH HAVE ACCOMPLISHED, DESPITE THE ECONOMIC CHALLENGES THAT CONFRONT OUR STATE.

FIRST, I THINK IT BEARS REPEATING THAT THE JUDICIARY HAS UNDERGONE SIGNIFICANT STAFF REDUCTIONS SINCE THE BEGINNING OF FY 2001, WHEN WE HAD 529 ACTIVE EMPLOYEES ON THE PAYROLL. ON MARCH 10TH, PAYCHECKS WENT OUT TO 463

EMPLOYEES, A DECREASE OF 66 OR ABOUT 12.5 PERCENT, WHICH WAS ACHIEVED THROUGH ATTRITION, LAYOFFS, AND NOT REPLACING EARLY RETIREES. WE WOULD LIKE TO FILL A LIMITED NUMBER OF POSITIONS, BUT WE'VE HELD OFF ON DOING SO BECAUSE WE REALIZE THAT THE STATE CONTINUES TO FACE FINANCIAL DIFFICULTIES, AND BECAUSE WE WANTED TO AVOID THE POSSIBILITY OF FURTHER LAYOFFS WHICH WOULD AFFECT PUBLIC SERVICES. I AM VERY APPRECIATIVE OF THE FACT THAT THE GOVERNOR'S RECOMMENDATION COVERS MOST OF OUR PROJECTED ECONOMIC INCREASES FOR FY 2006; WITH THE RESTORATION OF EMPLOYEE SAVINGS IN THE GOVERNOR'S RECOMMENDED BUDGET, WE SHOULD BE ABLE TO PROVIDE SOME KIND OF COST OF LIVING

INCREASE FOR JUDICIARY EMPLOYEES, WHICH WE WERE UNABLE TO DO IN FY 2004.

I SAID EARLIER THAT TODAY'S PRESENTATION IS MORE IN THE WAY OF A REPORT ON WHAT THE JUDICIAL BRANCH HAS DONE AS A GOOD STEWARD OF THE MONEY PROVIDED BY THE TAXPAYERS. HERE ARE A FEW HIGHLIGHTS.

AS YOU KNOW, TWO YEARS AGO THE JUDICIARY WAS ASKED TO CUT ITS FY 2004 GENERAL FUND BUDGET BY 13.7 MILLION FROM THE FY 2003 LEVEL. THERE'S SOMETHING ABOUT BEING ASKED TO TAKE A SIGNIFICANT BUDGET HIT THAT GREATLY STIMULATES CREATIVITY. SERIOUSLY, THIS WAS A CLASSIC EXAMPLE OF A PROBLEM BEING TURNED INTO AN OPPORTUNITY. OUT OF THIS SITUATION CAME A GREATLY SIMPLIFIED SYSTEM FOR COLLECTING AND

ALLOCATING COURT COSTS AND ASSESSMENTS. AS PART OF THE FY 2004 BUDGET, WE ADVOCATED INCREASES IN SOME CIVIL FILING FEES, AND ASSESSMENTS AND COSTS IN CRIMINAL CASES. WITH THE SUPPORT OF THE GOVERNOR AND THE COOPERATION OF THE LEGISLATURE, A TWO-PART FEE PACKAGE WAS PASSED THAT ALLOWED US TO REPLACE GENERAL FUND DOLLARS WITH RESTRICTED REVENUES. AS A RESULT, IN FY 2004, WE REPLACED \$11.2 MILLION IN GENERAL FUND WITH RESTRICTED REVENUES FOR OUR BRANCH. AND I SHOULD POINT OUT THAT THE JUDICIARY WAS NOT THE ONLY BENEFICIARY – FOR EXAMPLE, AS YOU CAN SEE FROM THE CHART OF PROJECTED REVENUES ON PAGE FOUR OF OUR BOOKLET, THE HIGHWAY SAFETY FUND RECEIVED OVER \$13.7 MILLION FROM THE JUSTICE

SYSTEM FUND IN FY 2004, NEARLY TWICE THE \$7 MILLION THAT HAD BEEN PROJECTED FOR THAT PERIOD BEFORE THE STATUTORY CHANGES. INDEED, OUR PROJECTIONS FOR FY 2006 INDICATE THAT THE STATE POLICE WILL RECEIVE AN INCREASE OF \$11.8 MILLION, AND THAT THE DEPARTMENT OF CORRECTIONS WILL REALIZE AN INCREASE OF \$1 MILLION. OVERALL, FOR FY 2004 THROUGH FY 2006, WE ESTIMATE THAT A TOTAL OF \$16 MILLION IN GENERAL FUND WILL BE REPLACED BY RESTRICTED REVENUES IN THE JUDICIARY BUDGET, AND THAT WE WILL PROVIDE ALMOST THAT MUCH MORE IN INCREASED REVENUES TO OTHER STATE AGENCIES.

SOME OF THE MONEY ALSO GOES TO TECHNOLOGICAL IMPROVEMENTS FOR THE JUDICIAL BRANCH. THE JUDICIAL TECHNOLOGY IMPROVEMENT

FUND RECEIVES 11.1 PERCENT OF REVENUES FROM THE CIVIL FILING FEE FUND. THE JTIF IS MAKING SOME DRAMATIC IMPROVEMENTS TO THE WAY STATE COURTS SERVE THE PUBLIC, THE MOST RECENT OF WHICH IS THE JUDICIAL NETWORK PROJECT. MANY PEOPLE DON'T KNOW THAT, UNTIL VERY RECENTLY, MANY COURTS WERE STILL SUBMITTING CRIMINAL CONVICTION DATA TO THE STATE POLICE ON PAPER BECAUSE THE COURTS DIDN'T HAVE THE CAPABILITY TO DO SO ELECTRONICALLY. I'M HAPPY TO REPORT THAT, AS OF THE FIRST OF THIS YEAR, MICHIGAN TRIAL COURTS ARE NOW SUBMITTING 97 PERCENT OF ADULT FELONY DISPOSITIONS AND 90 PERCENT OF JUVENILE FELONY DISPOSITIONS ELECTRONICALLY, WHICH MEANS THAT CRIMINAL HISTORY INFORMATION IS GETTING UPDATED DAILY AND OFTEN IMMEDIATELY,

INSTEAD OF A WEEK OR MORE LATER, AS WAS THE CASE WITH PAPER SUBMISSIONS. THIS IS OBVIOUSLY A TREMENDOUS BOON FOR LAW ENFORCEMENT. OTHER PROJECTS IN THE WORKS INCLUDE A STATEWIDE JUDICIAL DATA WAREHOUSE, WHICH THIS YEAR WILL GROW TO INCLUDE 21 COUNTIES. THIS DATA WAREHOUSE WILL ULTIMATELY JOIN TOGETHER THE CURRENTLY 41 SEPARATE CASE MANAGEMENT SYSTEMS USED BY OUR COURTS.

I WOULD LIKE TO TOUCH BRIEFLY ON TWO OTHER JTIF PROJECTS, ONE OF WHICH IS BEING TRIED OUT IN A PILOT PROJECT AT THE 62A DISTRICT COURT IN WYOMING, AND THAT IS ELECTRONIC PAYMENT OF TRAFFIC TICKETS. IT WILL SOON BE POSSIBLE TO PAY TICKETS IN MULTIPLE COURTS WITH A SINGLE ON-LINE CREDIT CARD TRANSACTION. WE EXPECT TO ADD 10

MORE COURTS TO THIS PROJECT IN THE REMAINDER OF FY 2005.

THE OTHER PROJECT IS ELECTRONIC FILING, WHICH IS CURRENTLY BEING PILOTED IN OTTAWA COUNTY CIRCUIT COURT AND THE 38TH DISTRICT COURT IN EASTPOINTE. ULTIMATELY IT MEANS, NOT JUST GREATER CONVENIENCE FOR LITIGANTS, BUT MORE AND BETTER INFORMATION FOR THE PUBLIC. CHECKING CASE FILINGS, FOR EXAMPLE, WILL BE A MATTER OF CLICKING ON ENTRIES IN AN ON-LINE DOCKET STATEMENT. COURT FORMS WILL BE PROVIDED, FILLED OUT, AND SUBMITTED ONLINE.

IMPROVING COLLECTIONS HAS BEEN AND CONTINUES TO BE A TOP PRIORITY. OBVIOUSLY, FISCAL CONSIDERATIONS REQUIRE THAT WE MAKE COLLECTIONS A HIGH PRIORITY, BUT, TO MY MIND, IT'S

EVEN MORE IMPORTANT TO SEND THE MESSAGE THAT COURT ORDERS ARE TO BE RESPECTED AND FOLLOWED. OUR BUDGET REQUEST DETAILS THE MANY STEPS THE JUDICIARY HAS TAKEN TO IMPROVE COLLECTIONS. THE PROOF, AS ALWAYS, IS IN THE PUDDING, AND OUR TEST KITCHEN FOR SOME OF THESE COLLECTION MEASURES HAS BEEN THE 30TH DISTRICT COURT IN HIGHLAND PARK. I AM VERY PLEASED TO REPORT THAT THE COURT HAS COLLECTED OVER HALF A MILLION DOLLARS IN OVERDUE COURT FINES AND COSTS DURING THE LAST 10 MONTHS. WE BELIEVE THAT THIS COURT'S EXPERIENCE HOLDS SOME VALUABLE LESSONS THAT ARE GOING TO IMPROVE COLLECTIONS FOR COURTS STATEWIDE.

FINALLY, YOU WILL SEE FROM OUR BUDGET PROPOSAL THAT PROPOSED FUNDING OF THE STATE'S DRUG COURT PROGRAM REMAINS AT THE SAME LEVEL AS FOR FY 2005. WE CURRENTLY HAVE 64 DRUG COURTS IN MICHIGAN, OF WHICH EIGHT ARE IN THE PLANNING STAGES. PUBLIC SUPPORT FOR THESE DRUG COURTS IS GROWING BY LEAPS AND BOUNDS, IN LARGE PART BECAUSE THE DATA INDICATES THAT THEY'RE A VERY GOOD INVESTMENT. FOR EXAMPLE, ACCORDING TO THE NATIONAL ASSOCIATION OF DRUG COURT PROFESSIONALS, THE COST OF INCARCERATING ONE PRISONER RANGES FROM \$20,000 TO \$50,000 PER YEAR, WHILE A DRUG COURT TYPICALLY COSTS BETWEEN \$2,500 TO \$4,000 PER OFFENDER ANNUALLY. NADCP ALSO REPORTS THAT THE RECIDIVISM RATE FOR DRUG COURT GRADUATES

RANGES FROM 4 TO 29 PERCENT, COMPARED TO THE TYPICAL RECIDIVISM RATE OF 48 PERCENT FOR THOSE WHO DO NOT PARTICIPATE. IN MICHIGAN, MOST OF OUR DRUG COURTS HAVEN'T BEEN OPERATING LONG ENOUGH TO PROVIDE MEANINGFUL INFORMATION ABOUT RETENTION AND RECIDIVISM. THE STUDIES WE DO HAVE INDICATE THAT DRUG COURTS NOT ONLY SAVE TAXPAYER DOLLARS – AND FREE UP SPACE IN OVERCROWDED PRISONS FOR VIOLENT OFFENDERS – BUT THEY ALSO RETURN INCALCULABLE BENEFITS TO SOCIETY IN THE FORM OF PRODUCTIVE, STABLE HUMAN BEINGS. FOR EXAMPLE, A 2003 SCAO REVIEW OF REPORTS SUBMITTED BY 20 MICHIGAN DRUG COURTS INDICATED 75 PERCENT OF THE PARTICIPANTS EITHER COMPLETED THE PROGRAM SUCCESSFULLY OR CONTINUED TO PARTICIPATE, RATHER THAN DROPPING

OUT OR BEING TERMINATED. A 2001 STUDY OF ONE MICHIGAN DRUG COURT BY THE KERCHER INSTITUTE AT WESTERN MICHIGAN UNIVERSITY REVEALED THAT 96 PERCENT OF THE DRUG COURT PARTICIPANTS SURVEYED DID NOT COMMIT A NEW OFFENSE WITHIN ONE YEAR OF COMPLETING THE PROGRAM.

THANK YOU AGAIN FOR THIS OPPORTUNITY TO ADDRESS YOU.
